GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3693
ANSWERED ON:17.04.2008
ETHANOL BLENDED PETROL
Owaisi Shri Asaduddin

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) Whether the Government has set deadline of October 2008 for oil firms to begin selling 10% blended fuel also known as E10;

(b) If so, whether there are some bottlenecks in meeting the given deadline;

(c) If so, the details thereof;

(d) Whether oil firms are finding it difficult to meet blending requirement of 5% ethanol;

(e) The total demand likely to be of ethanol by October 2008; and

(f) The steps taken or being taken by the Government to meet the requirement of oil companies?

Answer

MINISTER of STATE for PETROLEUM & NATURAL GAS(SHRI DINSHA PATEL)

(a) to (c) The Cabinet Committee on Economic Affairs (CCEA) decided on 9.10.2007 to make 10% blending optional from October, 2007 and thereafter mandatory from October 2008. Since the issue of modification of the engines are involved for 10% blending, IOC (R&D), Bureau of Indian Standards (BIS) and Society for Indian Automobiles Manufacturers (SIAM) have been requested to study the issue and to finalise the technical specifications for the implementation of ethanol with petrol in consultation with all the stake holders.

(d) to (f) At present, 5% ethanol mixed petrol is being sold and total requirement of ethanol for 5% blending in notified States and Union Territories is 60 Crore litre per year which comes out to approx. 1600 KL per day.As against industry's requirement of 180 crore litres of ethanol for a period of three years, the Oil Marketing Companies (OMCs) have been able to contract for 140.4 crore litres and they have so far procured 29.5 crore litres under the programme (as on 31.03.2008). However, the shortfall is due to levies/taxes on ethanol imposed by the different States. The matter has been taken up with the concerned State Governments to reduce/remove the duties & taxes on ethanol meant for doping with petrol. Some of the States like Chhattisgarh, West Bengal, Madhya Pradesh and Jharkhand have recently exempted/reduced the import and export fee.